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PP RUEHAG RUEHAST RUEHBI RUEHCI RUEHDBU RUEHDF RUEHIK RUEHLH RUEHLN
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DE RUEHAH #1311 3370843
ZNR UUUUU ZZH
P 030843Z DEC 07
FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC PRIORITY 9823
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY
RUCNCIS/CIS COLLECTIVE PRIORITY
RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUEHAK/AMEMBASSY ANKARA PRIORITY 3077
RUEHBJ/AMEMBASSY BEIJING PRIORITY 0892
RUEHKO/AMEMBASSY TOKYO PRIORITY 0766
RUEHIT/AMCONSUL ISTANBUL PRIORITY 1342
RHMFIUU/CDR USCENTCOM MACDILL AFB FL PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY

UNCLAS ASHGABAT 001311

SIPDIS

SENSITIVE
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STATE FOR SCA/CEN AND EEB; STATE PLEASE PASS TO USTDA DAN
STEIN
ENERGY FOR EKIMOFF/THOMPSON
COMMERCE FOR HUEPER

E.O. 12958: N/A
TAGS: [PREL](#) [EPET](#) [ECON](#) [TX](#)
SUBJECT: TURKMENISTAN: ENI PURCHASES ONSHORE OIL COMPANY
BURREN ENERGY

11. (U) Sensitive but unclassified. Not for public Internet.

12. (U) Burren Energy, a second-tier hydrocarbon company registered in the UK that is the holder of one of the the few onshore production sharing agreements (PSAs) in Turkmenistan, has just been sold to the Italian-based hydrocarbon firm, Eni. Eni reportedly purchased Burren for \$3.6 billion in an all-cash deal, following months of Eni efforts to find an offer attractive enough for Burren to take the bait. The deal will give Eni a foothold in Turkmenistan, where Burren has increased its gross production levels by 17% in the first half of 2007 to 21,800 barrels of oil per day. According to press reports, Eni Chief Executive Paolo Scaroni said that Burren's presence in Turkmenistan will offer Eni "an interesting entry into a new market" that is still largely unexplored. Scaroni also reportedly suggested that Eni could team up with Gazprom, with which Eni has a longstanding relationship, to develop Burren's assets in Turkmenistan, though he did not specify what he has in mind.

13. (SBU) COMMENT: Burren's PSA block, located just south of the provincial capital of Balkanabat, has been doing well, and Burren has been steadily increasing its production of oil -- and its shares price on the London stock exchange. While it is not clear whether Eni has any other motive in mind in purchasing Burren than acquiring a solid company with proven production levels (post would be interested in hearing more from Moscow and Rome about Eni's relationship with Gazprom in moving forward on the South Stream project), it has aggressively been pursuing Burren Energy since 2006. We note from press reports that Eni and Burren also both have drilling operations in Congo, and the acquisition of the facility in Turkmenistan might have been incidental. In any case, however, this deal locks in a new player with -- possibly -- a new agenda.
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